

July 10, 2008

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: MB Docket No. 07-57; Ex Parte Notice of General Motors and Toyota**

Dear Ms. Dortch:

We are writing jointly on behalf of our two companies, General Motors Corporation and Toyota Motor Sales USA, Inc. to express the opposition of our companies to suggestions that the Federal Communications Commission should require the incorporation of HD radio technology in any satellite radio receiver as a condition of approval of the proposed merger of XM and Sirius Satellite Radio.

General Motors and Toyota both offer vehicles with satellite radio receivers as optional or standard features on a number of models as well as other entertainment options including AM/FM radio. The proponents of the proposed condition are seeking an unprecedented requirement regulating the choice of entertainment technologies in an automotive environment.

HD is already penetrating the automotive sector without a mandate. Several manufacturers are either currently offering HD or have announced plans to make HD radio standard or optional in future models.<sup>1</sup> Nothing in our companies' respective agreements with XM inhibits our ability to offer HD radio.

The automotive environment is extraordinarily competitive and there has been no showing in the record to support the proposition that if consumers continue to show an interest in HD technology that those manufacturers currently pursuing other entertainment strategies will not take notice and adjust their strategies.

Moreover, it is well understood, that once mandated, the holders of the intellectual property for HD would have no incentive to be fully responsive to the demands of the marketplace. While HD radio is successfully penetrating the marketplace, it is

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<sup>1</sup> Toyota Motor Sales, USA, Inc. brand Scion will offer HD radio. See a listing of HD automotive offerings at [www.hdradio.com](http://www.hdradio.com)

nevertheless still an evolving technology.<sup>2</sup> Any mandate will inherently distort the normal incentives to cost reduce and further improve the HD product offering.

The Commission simply should not ignore the demonstrated success of a market-based approach.

We appreciate the Commission's consideration of our views in this matter.

Respectfully submitted,

Richard M. Lee  
Executive Director, Satellite Radio Services  
General Motors Corporation

David W. Danzer  
Group Vice President, Strategic and Product Planning  
Toyota Motor Sales, USA, Inc.

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<sup>2</sup> Indeed, iBiquity acknowledges that HD technology is still working down the cost curve. See Notice of Ex Parte Filing to Marlene H. Dortch from Albert Shuldiner and Robert A. Mazer dated May 1, 2008 (MB Docket No. 07-57) at p.3.